## REMARKS

The Office Action dated May 6, 2004 has been received and carefully noted. The above amendments to the claims, and the following remarks, are submitted as a full and complete response thereto.

Claim 8-18 are pending in the present application. Claims 1-7 have been cancelled without prejudice or disclaimer. Claims 9-18 have been added. No new matter is presented and no new issues are raised which require further consideration and/or search. Therefore, claims 8-18 are respectfully submitted for consideration.

The Office Action stated that the IDS filed on December 28, 2000 fails to comply with 37 C.F.R. 1.98(a)(2) because the copy of the prior art provided with the IDS is not legible. Applicants enclose legible copies of the references cited in the IDS and another PTO-1449 form. It is respectfully requested that these references be properly made of record in this application.

Claims 1, 2 and 6-7 were rejected under 35 U.S.C. 102(b) as being anticipated by U.S. Patent No. 5,313,467 to Varghese. Claims 1, 2 and 6-7 have been cancelled. Therefore, the rejection of claims 1, 2 and 6-7 is moot.

Claims 1, 2 and 6-7 were rejected under 35 U.S.C. 102(b) as being anticipated by U.S. Patent No. 4,761,781 to Calvignac. Claims 1, 2 and 6-7 have been cancelled. Therefore, the rejection of claims 1, 2 and 6-7 is moot.

Claims 1, 2, 4 and 6-7 were rejected under 35 U.S.C. 102(b) as being anticipated by U.S. Patent No. 5,793,760 to Chopping. Claims 1, 2, 4 and 6-7 have been cancelled. Therefore, the rejection of claims 1, 2, 4 and 6-7 is moot.

Claims 3, 5 and 8 were rejected under 35 U.S.C. 103(a) as being unpatentable over Varghese, Calvignac and Chopping as applied to claims 1 and 7 above, and further in view of the admitted prior art (APA). Claims 3 and 5 have been cancelled. Therefore, the rejection of claims 3 and 5 is moot. The rejection of claim 8 is traversed as being based on references that neither teach nor suggest the novel combination of features clearly recited in independent claim 8.

Claim 8, upon which claims 9-12 depend, recites a network element for a telecommunications network. The network element includes a first interface unit for receiving standard PCM signals in the network element and multiplexing means for multiplexing the PCM signals on a time-division basis into a transmission frame. The total capacity of a payload portion of the frame essentially corresponds to the capacity of N PCM signals. The multiplexing means are provided with configuring and allocating means for dividing the total capacity of the payload portion between at least two parts of variable capacity. Each part is configured to be allocated a desired portion of the total capacity of the payload portion in accordance with the current transmission requirement, and for allocating a part with the desired capacity to at least one traffic source from a group in which a number of PCM signals constitutes a first traffic source and a number of packet data streams constitutes a second traffic source. The network element also

includes a second interface unit for receiving a packet data stream. The second interface unit includes rate adaptation means for adapting bit rate of the packet data stream to correspond to the capacity of the payload portion allocated to the packet stream. The output of the rate adaptation means being directly connected to said multiplexing means.

As outlined below, Applicants submit that the cited references of Varghese, Calvignac and Chopping, when taken alone or when combined with the APA, do not teach or suggest the elements of claims 8.

Varghese teaches a system with a link that carries multiple types of information signals in a frame. Two integrated link controllers are coupled to the ends of the link. Each information signal occupies an allocated amount of bandwidth in a portion of each frame. The system has means for dynamically changing the allocation of the bandwidth of the information signals. The bandwidth of each information signal is allocatable among contiguous or noncontiguous portions of the frame.

Calvignac teaches a dynamic allocation of bandwidth to circuit or packet traffic according to user activity. Circuit switched information corresponding to a synchronous traffic and packet switched information corresponding to asynchronous traffic are exchanged between nodes connected through a medium link. A succession of frames is configured in a transmitting adapter of a network node, each frame being made of a succession of subframes containing bits. A part of the bits are allocated to circuit switched bit slots and remaining bits are used to carry asynchronous packet bits.

Chopping discloses a multiplex format comprising a plurality of constant bit rate time slots wherein a time slot which is not in use for constant bit rate traffic is used for message based traffic to provide a composite constant bit rate/message based data stream. Chopping is arranged to offer a mixed capability, i.e. to carry a varying mix of 64 kbit/s circuits and ATM circuits on a single 2048 kbit/s carrier, without having to transform 64 kbit/s to ATM or ATM to 64 kbit/s.

Applicants submit that the combination of the cited prior art references does not teach of suggest the combination of elements recited in claim 8. The invention as claimed in claim 8 allows for omitting an inverse multiplexing when traffic includes PCM signals and packet data stream. According to the claimed invention, multiple separate PCM signals are multiplexed together. A part of the payload capacity is used for transmitting PCM traffic and another part of payload capacity is sued for transmitting packet data. Claim 8, in part, recites multiplexing means for multiplexing the PCM signals on a time-division basis into a transmission frame, the total capacity of a payload portion of the frame essentially corresponding to the capacity of N PCM signals. The signal to be carried in the cited references, on the other hand, is a single bit flow and not a number N of PCM signals as recited in claim 8. Inverse multiplexing as disclosed in the present invention, only arises when a packet data stream, such as an ATM signal is transferred over multiple PCM signals. Therefore, the cited references do not have a need for inverse multiplexing and for avoiding inverse multiplexing as disclosed in the

present invention. As such, the cited references do not teach or discuss elements for avoiding inverse multiplexing as recited in claims 8.

The Office Action states that although the combination of Varghese, Calvignac and Chopping does not disclose rate adaptation means for adapting bit rate of the packet data stream to correspond to the capacity of the payload portion allocated to the packet stream, the output of the rate adaptation means being directly connected to said multiplexing means, Figure 3 of the present application discloses a rate adaptation for receiving packet stream. Applicants submits that Figure 3 illustrates an state of the art and figure 4 illustrates the advantage gained by using the present invention, namely avoiding the inverse multiplexing by using rate adaptation and connecting the output of the rate adaptation directly to the multiplexing means. Therefore, Applicant respectfully asserts that the rejection under 35 U.S.C. §103(a) should be withdrawn because neither Varghese, Calvignac, Chopping nor the APA, whether taken singly or combined, teaches or suggests each feature of claim 8.
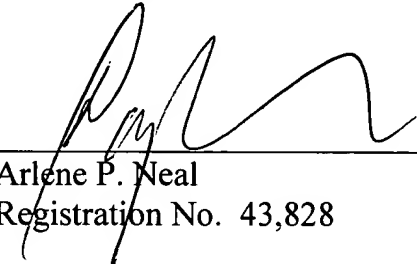
As noted previously, claims 8-18 recite subject matter which is neither disclosed nor suggested in the prior art references cited in the Office Action. It is therefore respectfully requested that all of claims 8-18 be allowed and this application passed to issue.

If for any reason the Examiner determines that the application is not now in condition for allowance, it is respectfully requested that the Examiner contact, by

telephone, the applicants undersigned attorney at the indicated telephone number to arrange for an interview to expedite the disposition of this application.

In the event this paper is not being timely filed, the applicants respectfully petition for an appropriate extension of time. Any fees for such an extension together with any additional fees may be charged to Counsel's Deposit Account 50-2222.

Respectfully submitted,

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Enclosures: Copy of PTO-1449 and 2 references